



**CITY OF PACIFICA
CITY COUNCIL MINUTES**

**Council Chambers
2212 Beach Blvd
Pacifica, CA 94044**

Mayor Mary Ann Nihart
Mayor pro Tem Karen Ervin
Councilmember Sue Digre
Councilmember Len Stone
Councilmember Mike O'Neill

**May 27, 2014 (TUESDAY)
www.cityofpacifica.org**

Mayor Mary Ann Nihart called the meeting to order on May 27, 2014 at 7:00 PM

CLOSED SESSION - NONE.

7:00 PM OPEN SESSION

Call to Order

Mayor Nihart called the meeting to order at 7:00 p.m.

Attendee Name	Title	Status	Arrived
Mary Ann Nihart	Mayor	Present	
Karen Ervin	Mayor pro Tem	Present	
Sue Digre	Councilmember	Present	
Len Stone	Councilmember	Excused	
Mike O'Neill	Councilmember	Present	

Staff Present: Lorie Tinfow, City Manager; Michelle Kenyon, City Attorney; Van Ocampo, Public Works Director; Ray Donguines, Asst. Civil Engineer; Lee Diaz, Assoc. Planner; Jim Tasa, Police Chief; Joe Spanheimer, Police Captain; Ron Myers, Fire Chief; Rich Johnson, Deputy Fire Chief; Dave Gromm, Director WWTP; Mike Perez, PB&R Director; Stephen Carmichael, Admin. Services Director; Ray Biagini, Field Services Manager; Ed Vandehey, MIS Manager; Kathy O'Connell, City Clerk.

Salute to the Flag led by Mayor Pro Tem Ervin

Closed Session Report

None.

CONSENT CALENDAR

Mayor Nihart made a correction on the resolution for Item #6, stating that it should say "Mayors' Awards" not "Mayor's Awards."

Councilmember O'Neill stated that he had questions on Item #3 and asked to pull the item.

Attachment: Minutes of May 27, 2014 (1483 : Approval of Minutes)

Mayor Nihart asked confirmation that he wanted to pull the item.

Councilmember O'Neill reiterated that he wanted to ask questions and, if they get detailed, he wanted to be sure it was okay.

Mayor Nihart agreed that they would pull Item #3.

Consent

1 - O'Neill

2 - Ervin

4-0

Item #3

City Clerk O'Connell presented the staff report.

Councilmember O'Neill asked if Pacifica collects the revenue from the BID which was sent to San Mateo then sent to Pacifica and then sent to the Chamber.

City Attorney Kenyon stated that the Chamber was the entity that receives the funds, although she was not sure how the logistics works. She stated that the city collects it and give to the Chamber but do not retain funds except for possibly administrative fee.

City Manager Tinfow stated that they collect it in the same way they collect the TOT. They remit the bid amount to the city, they do not assess an administrative fee even though they could, and then they remit that to the Chambers as the administrator for the BID for the hotels.

Councilmember O'Neill then asked, with a revenue of \$70,000, what managing agency was taking roughly 50% of that as management. He didn't know if that should be answered by the Chamber, but he wondered what \$35,000 was buying. He also asked if we have any fiduciary responsibility with these public funds collected by the city.

City Manager Tinfow stated that they did have a fiduciary responsibility. She stated that the Council was the taxing authority in this case as this was a tax collected on behalf of the hotels. The Chamber has been designated as the administrator and the City gives the money to the Chamber. She stated that they have to make sure that it being used in the way the Chamber tells them it will be used, but there was no rule about how much the Chamber, as the administrative body, can charge for that fee as long as the hotels are okay with it. They can work out an arrangement that meets the hotel managers' expectation.

Councilmember O'Neill asked if it was possible to have the Chamber tell them or do they want to do it at another point in the meeting. He stated that 50% of the revenues was pretty high.

City Manager Tinfow stated that, since they were going to be making a presentation in a few minutes, it may be covered in that. If Courtney Conlon was not prepared to talk about that at this time, this was coming back to them at the next meeting for actual action and she can answer those questions at that time as she is probably not prepared at this time.

Councilmember O'Neill agreed that they could wait for the next meeting, but he wanted to reserve that they don't accept or vote on that until the next meeting.

Mayor Nihart stated that the public meeting on this item was on June 9 and she wanted people to know that as they come forward with questions.

Councilmember Digre understood, at the public hearing, the agreement or disagreement is up to the hotels involved, not the public or Council.

City Manager Tinfow responded affirmatively, stating that they are the voting members of the Assessment District.

Councilmember Digre asked if they have to determine on that night that they were in session.

City Manager Tinfow responded affirmatively. She stated that the way it works is that they need to speak up if they don't agree with moving forward with the BID and each hotel votes, counted by the number of rooms in that particular hotel.

Councilmember Digre assumed there was a process of how the hotel people are assured that they know all about this.

City Manager Tinfow stated that it was true. The Chamber did a great job of managing the BID for them.

Councilmember Digre thought the draft economic development they received from the consultant in connection with the Economic Development Committee recommended that they actually increase the BID, and she was curious about that.

City Manager Tinfow thought that would also be a great question for Courtney Conlon to answer in terms of how they decided on the dollar per room per night and whether they considered anything different.

Councilmember O'Neill thought they were asking the other non-profits to give an accounting for the money, but they turn the check over for the BID and, as long as the hotels agree to how it was spent, it was okay. He thought the report they have was fine, meeting all the requirements.

City Attorney Kenyon stated that the Chamber has met all of the requirements in order for the City Council to move forward and levy the tax. What was happening at this meeting was that the Council was noticing its intent to go ahead and levy the tax at the June 9 meeting. The adoption of this resolution is approving the report that is attached to the resolution at this meeting. She stated that, if the Council has concerns with regard to that report, she recommended that they ask those questions of the Chamber now before approving this resolution so they can feel comfortable when approving it that they were approving the report as well.

Councilmember O'Neill stated that he didn't get a chance to call them and asked if they can ask the question now and have the report at the June 9 meeting.

City Attorney Kenyon stated that the Chamber was aware that the report was on the agenda so they are most likely prepared to answer their questions if they have any, and she thought it was perfectly appropriate to ask a representative of the Chamber.

Mayor Nihart stated that she was going to intercede and say that. She asked if the Chamber president or CEO would like to come forward and answer the Council's questions, that would be great.

Courtney Conlon, CEO of the Pacifica Chamber of Commerce, stated that, in answer to their question regarding the management fees that they receive from the City, they meet with the hotels at least once a quarter and talk about the strategic marketing efforts that they were going to do. She stated that they take a look at the highest and best use of those investments that they have presented to them. She stated that 50% of the fees go to the Chamber of Commerce for what they do to help Pacifica in staff time alone. She stated that, especially from May until the end of October, close to 40-50% of any given day was spent by her staff and her, taking to visitors. She stated that, on the previous Friday, they had almost 40 visitors come to the Visitors Center with a wonderful opportunity for them to spend time touting Pacifica and sending them to all the visitor serving businesses that they would patronize and, in turn, that helps the City in sales tax revenue and for the hotels, for them to stay an extra day or two.

Councilmember O'Neill asked if she was saying that it was roughly 15% of that \$35,000 or another figure.

Ms. Conlon stated that they get 50% of a total of about \$70,000 a year from the \$1 a night self assessment. \$35,000 of that was spent on marketing and advertising campaigns and the other 50% goes for staffing and the other 50% for the hard costs such as rent.

Councilmember O'Neill acknowledged that \$35,000 was spent for marketing, and he asked if they had another line item of public relations in marketing.

Ms. Conlon stated that was within the \$35,000 that they designate as part of the marketing campaign.

Councilmember O'Neill asked, if she was saying that \$27,000 of the \$35,000 is on the other line, why it wasn't deducted from the managing of the agency.

Ms. Conlon stated that, what he was not seeing there and she hasn't discussed until she gets into her presentation, a lot of the money seen on the line item are from the hotels' reserve. They were utilizing their reserve which was one of the biggest concerns of why they were at this meeting, to hopefully give them a snapshot of what the hotels have spent as far as a one time investment. It was definitely just taking some of their reserve and they will get used up. Then they have to think more strategically how they were going to continue promoting Pacifica as a tourist destination.

Mayor Nihart thought it would help if the City Attorney or City Manager could give a brief explanation about how a BID works, because it sometimes sounds like it's our money but it isn't. It is money that the hotels, with the Chamber, have chosen to tax their guests.

City Manager Tinfow stated that she was correct. The City was basically the facilitator of a tax action in which the hotels have chosen to engage. The BID tax was designed to be a tool for businesses to work together to pool resources and do promotional things as mentioned by Courtney. She stated that the 50% of the fee may seem big, but if the BID had to hire someone to do this separately from an established business they would likely spend more than the \$35,000. She was sure that was why they have chosen to partner with the Chamber in this way. She reiterated that the City was a facilitator for the tax assessment.

Mayor Nihart added that we simply collect it and turn it over to the people who have chosen to tax the people in the hotels.

City Manager Tinfow responded affirmatively.

Mayor pro Tem Ervin stated that she appreciated the efforts that the Chamber and hotels were making to enhance tourism in Pacifica. She thought it was a vital service to Pacifica, and she appreciated it. She was concerned about the fact that it looks like the reserves are dropping. She asked if they anticipated needing the same amount of money, \$90,000, that they do annually or if they felt it would go down or increase.

Ms. Conlon stated that, if Pacifica is to remain a great presence in the marketplace, the funds will go down, and that was why it was a great concern to the Chamber and hotels as far as what they can do going forward. That was why they wanted to talk to the City at a future time when they have helped the City turn right side up again and look at matching the funds for the hotels. She felt they were doing a great job of getting out there but, if we want to remain out there and go after the millions of tourist dollars being spent, it was important that the re-strategize at that point. While we are not there yet, she felt it was coming in the next year or so.

Councilmember Digre thought it was a good idea to mention that the BID was the Business Improvement Development fund and it was the hotels helping each other rather than outsourcing.

Ms. Conlon stated that they were a group of six hotel properties that comprise the BID.

There were no public comments.

Councilmember Digre moved that the City Council adopt the resolution entitled "A Resolution of the City Council of the City of Pacifica Confirming the Annual Report of the Advisory Board of the Pacifica Hotel and Business Improvement District (BID) and Declaring the City Council's Intention to Continue the BID Program and Levy the Annual Assessments for Fiscal Year 2014-2015 at the Same Rate as Levied in Fiscal Year 2013-2014 Without Change" and sets the date of June 9, 2014 for the Public Hearing on the annual levy of assessments on hotels within the BID; seconded by Mayor pro Tem Ervin.

4-0

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Karen Ervin, Mayor pro Tem
AYES:	Nihart, Ervin, Digre, O'Neill
EXCUSED:	Stone

1. Approval of Disbursements for 04/16/14 to 05/14/14
PROPOSED ACTION: Approve attached list of disbursements for 04/16/14 to 05/14/14.
2. Approval of Minutes
PROPOSED ACTION: Approve minutes of regular City Council meeting of May 12, 2014.

Attachment: Minutes of May 27, 2014 (1483 : Approval of Minutes)

3. Resolution of Intention to Continue the Business Improvement District Program and Levy the Annual Assessments for Fiscal Year 2014-2015
PROPOSED ACTION: adopt the resolution entitled "A Resolution of the City Council of the City of Pacifica Confirming the Annual Report of the Advisory Board of the Pacifica Hotel and Business Improvement District (BID) and Declaring the City Council's Intention to Continue the BID Program and Levy the Annual Assessments for Fiscal Year 2014-2015 at the Same Rate as Levied in Fiscal Year 2013-2014 Without Change" and sets the date of June 9, 2014 for the Public Hearing on the annual levy of assessments on hotels within the BID.

4. Approval of an Agreement Between the City of Pacifica and the Rotary Club of Pacifica for the Painting of the Property Located at 1050 Crespi Dr. (Also Known as the Pacifica Cultural Arts Center and Spindrift Theater).
PROPOSED ACTION: Authorize the City Manager to execute the agreement by way of signature.

5. Approval of Consultant Services Agreement Between the City of Pacifica and Community Service Group Consultants, Inc (CSG) for Construction Inspection Services in Connection with the Harmony @ 1 Project in the Amount of \$76,560
PROPOSED ACTION: Approve Consultant Services Agreement Between the City of Pacifica and Community Service Group Consultants, Inc (CSG) for Construction Inspection Services in Connection with the Harmony @ 1 Project (Attachment 1) in the Amount of \$76,560; and authorize the City Manager to execute the Agreement.

6. Create a Mayors' Awards for Pacifica Pride Program and Assign Its Development and Implementation to the Beautification Advisory Committee
PROPOSED ACTION: Move to create a Mayor's Awards for Pacifica Pride program and assign its development and implementation to the Beautification Advisory Committee.

SPECIAL PRESENTATIONS

Pacifica Chamber of Commerce - Courtney Conlon

Courtney Conlon, CEO of the Chamber of Commerce, stated that her goal was to provide a snapshot of who they are, what they have been doing and where they hope to continue going. She first acknowledged everyone present who were passionate people, stating that we were all in this together. She then began her presentation by explaining what "Commerce" means which was "business." She explained that they were a membership driven organization that was committed to supporting the local businesses and promoting the community, which includes the efforts at marketing. She pointed out that the board members of the Chamber, as well as the member businesses, worked together to help everyone. She pointed out the benefits of being a member, mentioning the city events they sponsor, services provided by the Visitor's Center, the hotel taxes they manage, some of the promotional projects, including the importance of "shopping in Pacifica." She mentioned that for every dollar spent in local businesses, 45% is reinvested locally but when you spend a dollar at a corporate chain, such as Costco, only 15 cents is reinvested locally. She stated that this can make all the difference in what we can do for our city. She mentioned their desire to partner with the city in economic development within Pacifica and would like to work closely with an economic partner when they come on board.

She thanked the City Council for the time spent on all the regional committees, after their full time jobs. She stated that they were promoting Pacifica on another level because they were there when they were doling out money. She mentioned the grant they got to pave Linda Mar Blvd., which she thought was huge. If a councilmember had not been at the table, who knows who would have gotten those repaving funds. She thanked the City Council for all they do. She stated that the Chamber wants to be a pipeline of communication to help the city now. She referred to parking passes that were over 1000. She referred to the parking at the state beach, community center and Linda Mar, and stated that, if all citizens were to buy a parking pass, they could take visitors to the trail or use the free shuttle on the weekend which helps Pacifica maintain the shuttle bus. She felt there were a lot of things we can do now. She stated that the pass comes down to 13 cents a day. She mentioned tourism has been up in the Bay Area, and Pacifica has benefited because of all their efforts which was a reason to continue funding the Visitors Center. She acknowledged the budget issues the City was facing, but mentioned that dropping the funding of \$10,000 to the Chamber would have repercussions. She then asked that, when the City gets to a place in their budgeting where they feel they can invest, they consider matching the funds for the hotels which would ensure a positive economic future for Pacifica and keep the marketing momentum going. She concluded that we all love Pacifica as a pretty cool place and we were all in this together. They want to keep going out to capture the tourist dollars.

Mayor Nihart stated that, out of all the presentations she does, it was nice to know that someone listens. She acknowledged that she was talking to them when she attended their board meeting and mentioned that we get 1 cent out of the sales tax and 11% of the property tax. She stated that the biggest single fluctuation was gas.

Councilmember Digre stated that it was a great presentation. She mentioned Chamber membership and Visitor's Center. She asked, if she was a business but not a member of the Chamber membership, how that would affect her, such as would the Visitor's Center tell them about that business.

Ms. Conlon stated that they were a membership driven organization. When you are a member of an organization, the Chamber supports the member businesses, but in what they do to promote Pacifica, all businesses benefit, as well as the community. She stated that for the members who invest, they support them and recommend them. She stated that when the Tribune mentioned the Best of the Best, 99% of the businesses recognized were Chamber members which shows them even more that these were the progressive type of businesses that feel a sense of wanting to be a part of a business organization that not only supports the business community, but also promote Pacifica as a whole. She stated that, in answer to her question, they do not promote businesses that are not members.

Councilmember Digre asked what she means.

Ms. Conlon explained that, if someone comes in and says they would like to go to restaurants, they have 35 restaurants in town out of possibly 50. She explained that the cost was approximately \$25 a month, and if they aren't doing anything else to promote their business, they have the answer that makes sense when looking at what they offer.

Mayor pro Tem Ervin appreciated her theme that they were all in this together. She felt it was very important as they move forward. We are in a dire financial situation, and she felt we have to come together and work together to find the solution. She felt it was important that we were all considering those things. She stated that this point has been brought by Chamber members

and businesses, but she felt it was important to think about how often people in Pacifica were out of town to go to work and the businesses in Pacifica give so much to our community and she felt it was important to acknowledge that. She appreciated the small businesses in Pacifica in all they are doing. She felt that, with the help of the Chamber, it was a positive outcome. She then asked how many people visit the Visitors Center on an annual or monthly basis.

Ms. Conlon stated that, during the high season of May to October, they were looking at maybe 2,000-4,000. She stated that they were now keeping a tally. In 2013, they had 3,500. She stated that a lot were not so much coming to the Visitors Center, mentioning that there used to be 100 a day, but that was why they invested in the internet to have a robust website so before they even come her to decide where they want to stay, etc., they will decide by going to the website. She added that there was still nothing like the face to face personal contact. She stated that was where her staff and she shine, and they make sure they make a lasting impression for every person who walks through their door.

Mayor pro Tem Ervin referred to her statement that approximately 1,000 people have downloaded the Pacifica app.

Ms. Conlon responded affirmatively.

Mayor pro Tem Ervin asked about the concern about the directory as more people are going to the computer, etc.

Ms. Conlon stated that it has been revered and always has been. She stated that we were unique since a lot of communities do not put out such a robust publication. She stated that they even have their landlines in it. She mentioned that, in the paper it was reported that land lines would be going away by 2015 as many people use only their cell phones. She stated that they publish 80 pages of that as a free service because they know businesses and residents enjoyed having that at their fingertips. She stated that the directory was searchable on line and that was very important. She stated that they would be providing help to businesses in that regard, adding that they will probably be publishing the directory for a few more years, but because of printing costs, those businesses would be morphing as well.

Councilmember Digre mentioned that she was a great fan of the San Mateo County, Silicon Valley Visitors Bureau, as Ms. Conlon was, but since she didn't mention it, she asked if they were still part of that.

Ms. Conlon responded that they were a proud member. She stated that she worked with Anne LeClare when she brings the different press fan tours to Pacifica. She stated that they have had about 5 over the past year. She acknowledged that they were a key player for them and they do everything to tout Pacifica.

PUBLIC HEARINGS

7. Resolution of the City Council of the City of Pacifica Adopting the City of Pacifica 2014-2019 Capital Improvement Program.

PROPOSED ACTION: Move that the City Council CONTINUE to June 9, 2014, the Adoption of the Resolution by the City Council of the City of Pacifica Adopting the City of Pacifica 2014-2019 Capital Improvement Program

Mayor Nihart stated that they were not prepared to present this item, but they have it on the agenda and she has a card so they typically open the public hearing and do the cards. She asked if they were going to do the staff report.

City Manager Tinfow stated that they were continuing the item so they weren't going to do the report.

Mayor Nihart stated that she would open the public hearing and they would have another public hearing at the June 9 meeting.

City Manager Tinfow stated that she was correct.

Mayor Nihart opened the public hearing.

City Attorney Kenyon stated that they should clarify that the purpose of this item at this point was just to discuss whether or not it should be continued, not the substance of the CIP project.

Hal Bohner, Pacifica, stated that he was representing a group called Pacificans for Highway 1 Alternatives with Peter Loeb and Stan Zeavin. He stated he heard what they were saying about continuing the matter. He has a lot to say about it, but he is happy to wait. He wanted to say that he was here and ready to speak about it. If they decide to continue it, he will be happy to come back in two weeks. If they choose not to continue it, he would like to be given the opportunity to speak at this meeting.

City Attorney Kenyon stated that, if it was not continued, he would be given the opportunity to discuss it.

Mayor Nihart closed the public hearing.

Mayor pro Tem Ervin moved to continue the City Council's consideration of the City of Pacifica 2014-2019 Capital Improvement Program to the meeting of June 9 to permit the Council to first rule on the appeal; seconded by Councilmember Digre.

Councilmember O'Neill thought they were going to make a decision on this and he is not clear on why they were continuing it.

City Attorney Kenyon stated that there was an appeal that needs to be heard before the Council can take action on this particular item.

Councilmember O'Neill thought he was the appeal.

City Attorney Kenyon stated that the appeal was not before the Council at this meeting.

Mayor Nihart stated that it has not been agendized as it didn't make the cutoff for making the agenda and they need to hear the appeal first.

Councilmember O'Neill understood, but he wasn't clear on it.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Karen Ervin, Mayor pro Tem
SECONDER:	Sue Digre, Councilmember
AYES:	Nihart, Ervin, Digre, O'Neill
EXCUSED:	Stone

COUNCIL COMMUNICATIONS

Councilmember O'Neill stated he and Councilmember Digre attended the meeting for the North Coast County Fire District, for which they were a member along with Daly City and Brisbane. They approved the budget and have a new fire prevention person. The budget was \$16,000 less than it was last year. They have another fire position that is like an inspector or technician but not an actual fireman. He also was going to comment on a meeting regarding complete streets but he will also be preparing a written report. He stated that it was an interesting presentation in that it described how to design streets to control traffic, where people go, bike lanes. He went anticipating that Pacifica could do some of those things in the future and he was going to try to type something and pass it out to Council and staff before the next meeting.

Councilmember Digre stated that those meetings were annual. They did have a fire inspector. She also went to the annual Veterans Memorial in Pacifica held at Chapel by the Sea. She stated that it started in 1989 and was one of the few smaller cities that have a memorial in their own city. It shows the gratitude by community and the caring. She stated that, as a military parent, she was thinking of the 14 names they read of Vietnam veterans. She was sure that, in the 1980s, when it was put up, the families' were given solace by the community caring enough to go through the effort of having this there. She stated that most parents are probably gone but siblings and other relatives are still around. She thought this community towards those Vietnam vets and veterans in general were very affected by it. She thanked the community for that. She stated that, on June 14, at the Surf Spot, the Pacifica American Legion Post 238, American Legion Auxillary, Pacifica Veterans of Foreign Wars, and the Surf Spot wish to honor all Pacifica veterans and the public was welcome. She encouraged them to tell other Pacifica families who have a member in the service now, because they all respond in a different way. Some want contact and others prefer the quiet of their own families. She asked that they at least let those families know about this day of appreciation which will be June 14. She stated that, because so many young people are affected by dyslexia an one of our residents, Gina Mazzetti, experienced dyslexia which is a harder challenge than many realize, and she has written a book on the subject and she will be at Florey's Bookstore on June 22, and talk about her book.

Mayor pro Tem Ervin stated that she attended the Pacifica School Volunteers appreciation event, which was a wonderful time to celebrate all the people who have given many hours to our elementary schools. She stated that the teachers greatly appreciate it and the kids adore them. They have a huge impact on the children and she appreciated having been part of that. She also welcomed Kathy Abel, the new director for Pacifica School Volunteers, as well as gratitude and appreciation to the outgoing director, Christine Thorenstein, adding that they have done amazing work there for Pacifica School Volunteers and she was gratified to be part of that committee. She went to the emergency preparedness meeting but it was cancelled because they didn't have a quorum. However, she let people know that the 10th annual disaster preparedness day is June 7 at the San Mateo County Fair and will be going over many issues, such as first aid, etc., and she encouraged anyone who had an interest to go. She stated that they had interviews taking place for the Open Space and Parklands Committee. She also was attending the legislative committee, as well as the beautification committee. She stated that she will be happy to be at the 12th annual day of Taste of Pacifica on June 7.

Mayor Nihart appreciated Councilmember Digre's comments about Memorial Day. She had one of those three little speech days and she was following her around. She stated that, if you haven't been there, you should probably see the Liberty Garden Mike Mooney has done, because we now have an honor flag for 9/11 with all the victims from 9/11 on it. It was dedicated on Memorial Day. She stated that this was the time when they can talk to Council about things coming up. She had the Advisory Committee meeting for the City and County Association of Governments earlier this day to set the agenda for the next month's meeting, because she was chair of the committee. She stated that they share transportation dollars and a number of other projects, including congestion management, air quality. They were receiving a grant and they will be talking about dispersing that as an incentive program for rain barrel captures in homes and commercial units. She stated that there should be a lot of things on the agenda but she commented that Councilmember O'Neill was on the congestion management segment. She stated that they must have been very busy because there were a lot of items that came forward from all of them and she was impressed with that. She was also impressed with what they were doing with the Association of Bay Area Governments. They were starting the Planned Bay Area process for 2017, and in that process, they were looking at how they strategize housing and open space, supporting open space through priority conservation areas, of which they have one, McNeil Ranch, as well as our priority development areas which have to be transit oriented housing. She stated that almost 90% of the OBAG went to 11 cities, but not Pacifica. She stated that having a priority development area was something she was interested in looking into and working on how they can get involved in that. She stated that they were doing something different, strategizing how to reach cities and get the word out. She stated that it wasn't done very effectively, even admitted by the ABAG last time because a lot of people did not know this was going on. She wanted to be sure she kept the Council apprised and she will share minutes and reports. One item presented at the last meeting was an amazing product from a professor at UC Berkeley. She stated that they were using it in San Francisco as a pilot. It was a computer program that actually images public decisions and there was an offshoot on synchronicity.com (possibly) and he has developed this program, taking policy decisions on density, etc., and lets you visualize it. She found it fascinating. She then mentioned that Sally Lieber was in town who presented on human trafficking, and she will be bringing to the Council an item for that because she has signed on as a mayor on the awareness on human trafficking program and she felt it was important. She stated that we have the Super Bowl in 2016. With the Super Bowl comes a lot of different things, some you want, some not. She stated that this was a bill about education hotel operators, etc., to be aware of the kinds of activities that go around. She mentioned that you think of human trafficking as bring in people from another country but that was not really what they were talking about, but any abuses of power over people which makes them subservient, indentured, etc., one being prostitution which tends to increase around the Super Bowl. They want to make sure they educate the public and individuals who may have an opportunity to see some of this. They want to benefit from the Super Bowl. She stated that the coming Friday was the Council of Cities. They have a couple of great presentations coming up on the 30th and the following month they will be focused in San Mateo on the drought. She stated that the Carolines were hosting this Friday but San Mateo will be at the City College of San Mateo to be looking at their new additions. She then thanked Council for supporting the consent calendar item because the Beautification Advisory Committee meets the first of the month and they want to move forward on those awards.

ORAL COMMUNICATIONS

Therese Dyer, Pacifica, stated that she was going to read a letter to the City Manager because she didn't believe any of them were aware of it with the exception of Karen Ervin. The letter

was in regard to the complaint about a tire business being operated from a home without a license from the city. The letter explained that she got an email before a meeting she had scheduled with the City Manager Tinfow, Police Chief Tasa and Planning Director White. She explained that, had she received the email at least an hour before the meeting, the meeting would have had a different outcome but she was already at City Hall to attend the meeting. She asked questions about why supposedly other businesses also did not have licenses to operate and concluded that while she would not be instrumental in Mr. Medler's decision making process but she would support him as an advocate for justice. She asked that they reschedule a meeting between the four of them and include the City Attorney and Councilmembers Ervin and O'Neill. The letter concluded by saying she was waiting for her response. She then reiterated that these violations keep going on and from June 24, 2013, she has brought at least five up to them. She stated that no one has responded to her yet. She stated that Mayor Nihart called her twice about the unilateral sewers and she has not gotten an answer to that. She disagreed with the Chamber of Commerce. She did not want her taxpayer money to go to a non-department agency. She stated that she was the president of a non-profit organization and she did not get a penny from the City, she didn't even get listened to.

Tom Clifford, Pacifica, stated that he was present to direct their attention to a public safety issue. He stated that the pedestrian overpass between Francisco Blvd. and Ocean Avenue has suffered extensive damage from lack of maintenance. He stated that large chunks of concrete are falling onto Highway 1 endangering thousands of people who are traveling each day. He showed them a piece of material that has fallen off the overpass onto the highway and we need to do something. He stated that he has spent the last four years talking to engineering and city managers and he get a lot of "it's going to happen," but nothing ever happens and it is getting worse. He stated that now almost every post of the suicide barrier are rotted through and he didn't know how much longer it is going to be before that winds up on the highway. He stated that, when he first brought it to engineering, there was one lane going north that was affected, now there was not one safe lane going underneath that overpass. He pleaded with them to agendize this and get something done.

Juan Lopez, Redwood City, introduced himself to Pacifica citizens. He stated that he was the write-in candidate for Sheriff of San Mateo County and will be available after for any questions.

Michael Stogner, San Carlos, stated he introduced himself as a candidate for District 3 supervisor, and he was thrilled that Juan Lopez was available. He is a legitimate write-in candidate for Sheriff of San Mateo County. He stated that he has gone for a couple of different offices recently, and this election is quite different in that many newspapers are not paying any attention to Mr. Lopez. He didn't mind them not paying attention to him but he was surprised when they have a sheriff candidate that is not just being paid attention by the media. He recalled when they were children in a circle with the exercise of someone whispering one word to one person and pass it around the room and, by the time it gets to the other end ... He had a similar experience with a telephone interview with a reporter who asked him what he does. He said he was a victim's advocate for the last 13 years and she again asked what he does. He stated that he accompanied people to police departments and help them fill out criminal complaints and help them get their police reports which sometimes were difficult to get. It came out in the newspaper that he was available to keep you company. He stated that, if that helps him, call him and he will keep you company. He stated that it sounds like he is an escort now, but it might get someone's attention. She stated that there are some major issues in San Mateo County and it was great to visit and hear what a town is going through, because he also visits other cities and he sees similar conversations about how you raise money, etc. He stated that he was born and raised in San Mateo County and his dad worked in Pacifica. He was

interested in all of San Mateo County, but he sees that Pacifica has some personal issues to take care of. He asked that they spend time and meet Juan Lopez.

Martin Anaya, Pacifica, with Pacifica Community Television, was here to inform everyone about their PCT honors which was happening on Friday at 7:00 pm. He stated that they will be honoring some wonderful deserving people, reading the list of honorees, and described a few who were not from Pacifica. He stated that they were pleased to be honoring individuals, mentioning a few. He then invited everyone to come, at \$25 per person, with finger puppets as entertainment. He stated that it all goes to support PCT and the wonderful honorees. He stated that there was a reason to be the longest running community TV station in the United States. He stated that there have been numerous reasons that they would not be here but they were still here and in fabulous shape and ready for the challenges of the 21st century and helping this city, the chief reason being the wonderful people whom they were honoring as well as people support PCT and the entire community.

Chris Porter, Pacifica, stated that she was the General Manager of Recology of the Coast and chairperson of Taste of Pacifica, which will be June 7 at Nick's, 12:30 to 3:00. It is going to be a large gathering because they have a lot of new restaurants. She also stated that Recology had disaster preparedness and their disaster was that the recycling yard fell in the ocean and they had to know how they would recoup, how to keep services going, how they would aid the city, where they would get fuel, how they would operate. She stated that she will be getting together with the City Manager and sharing the information to make sure that their plan is cohesive with the city's plan. She then said that Recology donates money to different causes in the city, and any donation they make does not affect the rate structure as donations are a non-allowable expense in the rates calculation. Anything that they donate comes out of the Recology bottom line, out of, and approved by, corporate Recology at the discretion of the general manager of the different companies to whom they give money. She stated that they were a big sponsor of the shuttle and 100 other things. She stated that she was on the top of the list every year and have to answer to corporate why she was doing this. She believes in putting her company money where her mouth is. She stated that she worked hard for the Chamber and they give money to the Chamber. She stated that they give in excess of \$10,000 to the Chamber because that was how much she personally believe in what they are doing for the city.

Mayor Nihart asked confirmation from the City Attorney that they cannot talk about anything that has been brought up in Oral Communications, but they can provide some information of one of the Councilmembers does that.

City Attorney Kenyon stated that they can make a brief comment or they can direct staff to.

Mayor Nihart stated that she had a question and a comment that she would like to make about the overpass. She stated that she has taken pictures of the overpass, fences for Caltrans, but the overpass is part of what Caltrans has to approve. They have to get the money for that.

City Manager Tinfow stated that she was correct, and she was aware of this issue and has been talking with the Public Works Director. She stated that it was on Caltrans' list of projects for 2016 to be replaced. In the meantime, she has asked Van Ocampo to give her a cost estimate for putting some netting around it to prevent pieces of the overcrossing from falling onto the traffic. He is working on that now.

Mayor Nihart thanked her and explained that she wanted to make sure people knew that they had been responding to it.

Mayor Nihart called a five-minute break then resumed the meeting.

CONSIDERATION

8. Proposed 2014-2015 General Fund Budget

PROPOSED ACTION: Accept the report and provide feedback and direction on the proposed 2014-15 General Fund Budget report and associated topics presented.

City Manager Tinfow presented the staff report, including reports from representatives of the various departments. Following his report, Police Chief Tasa asked if they had questions.

Mayor Nihart asked how they wanted to handle questions.

City Manager Tinfow thought they would go through all of the departments and then ask questions.

Mayor Nihart agreed with that.

Staff report continued.

Councilmember O'Neill asked Police Chief Tasa what the customer service officer going to be doing as part of the duties.

Police Chief Tasa stated that he and the City Manager still needed to have a conversation regarding that, but when they had a community service officer years ago, they primarily focused on abandoned vehicles in the community and parking violations. He stated that it was a full time position, but this position will be a part time 20-hour per week position. The preliminary discussion was seeing if they can take that community service officer and have him focus on the abandoned vehicles and parking issues in the community, but also to look at some of the code enforcement issues or blight issues for which they get complaints throughout the year. They would like to bring it up to the level to work with the new code enforcement officer and, between the two departments, they can get a good handle on some of the issues in the community.

Councilmember O'Neill assumed it was a quality of life issue.

Police Chief Tasa responded affirmatively, adding that it was a big concern for a number of residents and business owners, since it was about property values and getting people to come into the community for tourism. They want to focus on that if they can.

Councilmember O'Neill stated he had a question for Chief Myers.

City Manager Tinfow stated that, while he was coming to the podium, she suggested that, if any councilmembers had questions for Chief Myers or other directors, they make those questions so they don't have them popping up and taking more of their time.

Mayor Nihart thought it made a lot of sense and asked an overall question. She stated that they saw some very minor increases, but from the City Manager's point of view, she would like to look at increases in costs. Benefits are included even though employees are picking up the percentage increases of their benefits, and she asked the increase in cost for workers' comp and CalPers. She asked what the percentage was.

City Manager Tinfow stated that they put that information into the long term financial plan that the Council received earlier, possibly the end of March, and she thought workers' comp was expected to go up 3% per year and pension increases vary depending on the unit. She stated that, currently, the safety employees were not picking up the increase but was being passed on to the city. She would be happy to come back to them at the next meeting and give them an answer.

Mayor Nihart recalled that it was in the long term budget and she was thinking about that in conjunction with the increases overall. She thought that just about covers the increases but they were not increasing anything else.

City Manager Tinfow stated that, if you looked at the revised budget that the Council adopted in March, it was basically a few dollars less that was being requested for the next year. She thought it was amazing that they were able to do that.

Councilmember O'Neill stated after he and Councilmember Digre had attended the annual meeting of the Fire District, there was a parking lot chat and it was interesting about the ISO tradings and some of the issues Pacifica faces, and he wondered if Chief Myers could give some synopsis about that as it would be good public information for people.

Fire Chief Myers stated ISO insurance Services offices is the rating bureau that goes out and looks at fire protection systems and features and types of properties in communities and they put a fire protection class over a community. He stated that it was based upon a number of things; number of personnel to respond to fires, types of things to train the people, type of dispatching system and the major components would be the water system and how much water can be provided should there be a fire, rated class 1-10 with only a handful rated as class 1 with a few in class 2. In Pacifica, they are a class 3, and people think that somehow that classification will help the property insurance for the residence. He stated that going from 3 to 2 would potentially help the commercial properties. You don't want to go the other direction as a residence and pay for fire insurance or end up with a department that would deteriorate into 5, 6, 7, 8 and, at 10, you have no fire protection but just foundation level protection because the house or business will burn down. He stated that they were in the zone they want to be and they have said they would like to improve the fire services. They used to have three fire stations and somewhere down the road and they are better off they would come back and talk about the need for another fire station and that would help all the things he presented. He stated that a lot of times, the cost associated with going to 2 or 1 would be so great that the real benefit may not be there for those who have fire insurance.

Mayor pro Tem Ervin referred to the general fund revenue totals that went down for next year and asked him to comment about that.

Fire Chief Myers stated that it was primarily the adjustment they made to the fire inspection program where they did a study and made some adjustments which was reflected in the significant reduction.

Mayor Nihart asked if they had questions for Chief Tasa.

Mayor pro Tem Ervin stated that it was basically along the same lines and she assumed it was a similar answer. She also noted that the general fund department revenue totals were significantly down for fines and grants from 2013-14, and she asked if he had any comments on that.

Police Chief Tasa stated that they went through the budget and cut everything out that they thought they could cut. Most of the divisions within the department were reduced and only two with a slight increase, traffic which was related to beach parking and the purchase and process of more tickets and patrol division which was up because of personnel increases.

Mayor pro Tem Ervin understood that, but she was referring to the decrease in revenue totals.

Police Chief Tasa stated that the revenue that was not included was the grant award. If they get that \$95,000 grant, that will go into it. Any other grants received during the course of the year will go in there. He stated that they can't include those until they actually get them. He stated that many grants don't pay the funds up front. They have to bill for the funds and they get the funds as they go through the year. He would envision that, mid year, that the grants received up to that point would be seen in the adjustments.

Councilmember O'Neill commented that the rangers do the ticketing at the beach, and asked if the police department did any of that.

Police Chief Tasa stated that they do some, but it was minimal, and the rangers have done a good job and have taken ownership. He stated that, the way the program was written, they were there to support the program and, in the event the rangers need their assistance, they were able to provide that assistance.

Mayor Nihart asked him to talk about what they would do without volunteers in going after the grants.

Police Chief Tasa stated that they would hopefully think outside the box and find another way to get it done, adding that was what caused them to go to volunteers to begin with. Budgets have been cut over the past five years, in Pacifica as well as in other municipalities, and they can say they can't do it anymore or they can say how else can they do this. He stated that his approach was to find another way to do it. He stated it was about 2 1/2 years ago that they developed a formal volunteer program. They have been fortunate and have been able to bring in a number of quality people such as retired FBI agents, from Lockhead, nurses, etc. He felt it has been a good match and it has enabled them to continue providing some of the programs.

Mayor Nihart stated that she was thinking of it because they were working on the mental health component and she asked, if they didn't go to the county, whether they could provide some of those services.

Police Chief Tasa stated that they would have to look at it and see what it entailed, and he didn't know if he had the answer at this time. As they envision the program coming together, they look at the professionals outside of law enforcement that they would need to bring in.

Mayor Nihart commented that you can't compare cities, but she stated that Menlo Park had 5,000 less people than Pacifica, but they have 68 or 69 of them. She thought about how we can keep doing this and make stuff happen. She felt he was doing an amazing job.

Police Chief Tasa stated that people keep putting more on their plate and everyone's plate runneth over. They do the best they can with what they have and they go from there. They will look at it as they go forward. There was interest in the county from a number of agencies in the program, and he thought, as they go forward, they will look at bringing those representatives from those agencies together and see how they kick it off and get it going.

Councilmember O'Neill asked PB&R Director Perez in terms of childcare, if there was some coordination with the schools to help them with common core standards especially with the low cost childcare and some of those kids might need the most assistance. He also asked if we were involved with the Big Lift, which was the goal to have every third grader reading at third grade level.

PB&R Director Perez responded yes to the fact that staff was aware of the Big Lift and were taking part in those meetings. In terms of common core, he stated that they have assistance for the kids as part of the program for homework help, and they have their preschool group who meet with those from the district. He stated that one of the assistant superintendent leads it now. He couldn't remember the name of the group that meets for the pre-schools, but was prompted that it was Bridges to Success. He stated that he is not aware that they have been approached by the school to work with them on the common core but they were funded partially through the Department of Education, and those types of things are part of their program.

Councilmember O'Neill asked if they have thought of asking the school district if they could be a part of common core.

PB&R Director Perez thought some of those discussions have possibly happened, but in terms of where they get their funding and what they were required to do, they have some standards for that. He personally feels that they need to have some time for the kids to enjoy some recreational activities after school, making sure they are also giving them time to play, exercise and socialize as well. They were working with them for the pre-kindergarten kids coming into the schools and working towards those things as well.

Mayor pro Tem Ervin referred to his mentioning that he needed to use more of the reserve fund this year, and she noticed that also with the childcare subcontract grants, and it went up significantly. She thought it was surprising since everyone feels like they were coming out of the recession with people doing better. She wondered if he could comment on what he was seeing there, as it was quite significant.

PB&R Director Perez thought it was surprising but during the recession they were able to put money away in a reserve, at least for the past couple of years, and have done it for about seven years where they have made more than they spent. They have put that away in the reserve for this type of situation and, for the last three years, they have gone into the year thinking they were going to have to use and then funding will become available so late in the year that you can't spend it. He mentioned that agencies close to them may not earn their contracts and they might be able to fulfill that need. He stated that sometimes money will be available at the end of the year in May. He thought it made sense that they would need to make the money now but when the economy wasn't doing so well, they earned quite a bit.

Mayor pro Tem Ervin felt they were doing amazing work with the little they have, especially those 140 senior volunteers and the work the staff of the staff as has been pointed out.

PB&R Director Perez didn't mention in his presentation that they have 21 full timers and 108 part time staff.

City Manager Tinfow stated that they had a couple of more topics which she identified which were the parking enterprise fund, which was an attachment in the report and she wanted to share more detail with them, and then answer any questions on that. Then once they have gone through that, she wanted to touch on the non-departmental and transfers because those round out the general fund. In response to a request made at the last meeting about the four NGOs that have received city funding in the past are also present and provided information that was in the packet. She then gave a brief report on the areas mentioned above.

Mayor pro Tem Ervin asked if we had any idea how much we spent in these departments prior to having beach parking. She thought it looks like it is just across the board they were breaking even but the fact was that they had to spend some funds prior to having beach parking on addressing issues at the beach and she thought it could be addressed.

City Manager Tinfow asked if any of the department heads wanted to take a stab at the question. If they had a parking enterprise fund for 2013-14, what the totals would look like was in the attachment. She agreed that, if they had it in place for this year, they would have been short about \$85,000 or \$86,000 which would have come from the General Fund. Going forward matching revenues to the expenses is part of the benefit of doing this and being very transparent about the costs and revenues to match them.

Public Works Director Ocampo stated that prior to the paid parking program, the cost was about \$100,000 to provide service during the weekends with a ranger who would clean the restrooms and the maintenance worker would do the same for the maintenance of the trails with any vandalism.

Police Chief Tasa stated that from the police department perspective, they didn't have an exorbitant amount of cost prior because the parking wasn't in place and there were no parking violations to enforce except for not parking between the lines which were minimal. He stated that they have increased the number of citations and have to purchase fivefold, going from 1,000 to 6,000 now. They were estimating about 4,600 citations will have been issued during this current fiscal year specifically for beach parking. He stated that there were other costs. They did a study and it took the clerical staff about 3 minutes per citation to process those. Looking at doing 1,000 a years, they can absorb that but going to 6,000 that was almost 12% of his staff time in a clerical position, which was roughly \$14,000 to \$15,000 staff time to process parking citations. He thought it was important for the transparency of the enterprise fund. He stated that you can actually see the costs that are associated directly with the program. He stated those are the costs incurred as a result of that compared to how it will be as they go forward with the parking.

Mayor Nihart referred to the parking citations and asked if he expected to sustain that. She thought most of complaints they hear were mostly the surprise because they talked about it for a long time and warned people, and now it was here. Some are still surprised.

Police Chief Tasa thought very few were still surprised by it. He thought she was correct when the program first started. He stated that this fiscal year, they didn't get the benefit of a full year as Public Works Director alluded to earlier, having started the first or second week of August. He stated there was also an education component to educate the public through the newspaper, warning citations before they actually started issuing a primary citation. He stated that they

have taken the full months they have had over the course of the year and they were able to obtain an average. They thought, as they go forward, they will continue to issue the same amount of citations because they missed a couple of the peak months, having missed July and August in the current fiscal year, and those were probably two of the busier summer months. He thought they were averaging about 380 a month.

Mayor Nihart stated that she was getting emails from surprised people.

Mayor pro Tem Ervin then asked if he had any comments to make about the signage, such as are they appropriate, enough. She stated that she heard from some people that they are surprised because they didn't see a sign and she wondered if he could comment on that.

PB&R Director Perez stated he didn't know if they wanted him to answer from his department the previous question. He stated that there were some up front costs because they were the ones who do the annual pass selling and they had to implement a new portion of a computer program with training involved. They bought the actual permits which are not that expensive but he has staff that takes about five minutes to sell a pass. He stated that they didn't sell them all in house. About 55-60% were sold in house, and the other percentage was online. He stated that they also have to maintain that. They were also setting up for reminders for people that their passes are expiring. They had a few who bought them in June last year, and will be getting notice of the expiration date. He stated that, in terms of expenses for his department, if they went to an enterprise fund, they would have a portion of one of his staff coming out of that which would be helpful. Prior to the parking program, they didn't have to do that, and it was an absorbed task. He stated that the Park and Rec Commission had a study session about the parking program recently and that came up. He has heard a lot from customers because when they come in to buy passes they ask them to write their comments down. He thought that some people have suggested that there should be a bigger sign. He stated that he has talked to staff and, unless you are not looking for it, it was obvious when you drive into a lot that it says paid parking. He didn't know if the sign only said you have to pay and was very obvious whether that would make a difference. He thought, in his experience with the people, it was like the leash law. The signs are there but no one seems to see them. When you point them out, they are fairly obvious. They have had suggestions that there be a basic sign that says paid parking. He stated that, in the community center, they have a sign on the window asking if they have paid for their parking.

Councilmember O'Neill thought this was directed to Public Works Director Ocampo and Police Chief Tasa. He asked if there was any feedback, concerns or comments from the merchants on Pedro Point in the north end of the parking lot, about people not wanting to pay the fees and they park there.

Police Chief Tasa stated that he has only heard one comment from one business owner on the Mayor's walk not too long ago. It was the business owner from the far north business. He thought it was a dog grooming business. He stated that it was a good problem and a bad problem. She was concerned about some of the overflow parking on one hand but, on the other hand, those people parking there are getting to see the businesses that are in the shopping center that they might not otherwise visit. He stated that she didn't have a strong opinion but did mention it.

Mayor Nihart added that he offered some possible suggestions. She thought it was mutual.

Police Chief Tasa stated that they have to remember that it was a private parking lot and the property owner would have to do any improvements such as striping which might help, signage that could possibly help the parking situation, which they suggested to the business owner. She didn't know if she needed to take it up with the other merchants at that time and they left it. They were there to assist her and to give advice and help in any way that they could, but it was private property.

Councilmember O'Neill was concerned if there had been any comments.

Councilmember Digre asked if private property can charge parking or did they have to go through the same thing with the Coastal Commission, or does the city have an ordinance against it.

Police Chief Tasa asked if she meant that particular parking lot.

Councilmember Digre stated that one or any other one.

Police Chief Tasa stated that there was no paid parking in that lot.

Councilmember Digre explained that someone had asked if they could charge as well.

Police Chief Tasa stated that he was not sure on the process on that.

Mayor Nihart stated that it was private and she thought it was probably off the topic of budget at that point. She stated that she was looking at the City Attorney and thinking they probably should move along.

Councilmember Digre asked if she missed it or are people actually paying.

Public Works Director Ocampo responded that, if they were to look at the table they have, there was about \$185,000 that they were projecting as revenue from the kiosk that issues the paid parking tickets.

City Manager Tinfow stated that one of the questions she will be posing to them, probably by June 9, was whether they would like them to proceed with establishing a parking enterprise fund and does it make sense to them. She stated that staff thinks it does, but it would be great for the Council to say they agree and move forward to make this happen. She reiterated that they will be hearing about it on June 9 in terms of a decision. She stated that they could return to their seats. She stated that she had two items part of the General Fund to round out the numbers, giving a very brief report on them then gave a brief report on the NGOs. Then asked what the Council wanted from staff or invite the NGOs to make a short presentation or answer questions.

Mayor Nihart stated that they had materials from each of the organizations and she would like each one to have an opportunity to talk about what they gave the City for a few minutes.

City Manager Tinfow asked if they wanted to call each one up.

Mayor Nihart stated that on the top was the Beach Coalition. She told Council that they can ask specific questions.

Lynne Adams, Beach Coalition, stated that she was inviting Jim Fithian, Vice President of the Beach Coalition, to be there as well. She then gave a brief report on what they do, as engaging people to clean up Pacifica, remove weeds and restore habitat and sponsor Earth Day, followed by Jim Fithian reporting on the cultural aspect. Lynne Adams then mentioned more on the pride felt by those who help, especially students at Terra Nova.

Mayor Nihart stated that they had a great report from her and no one was questioning the value of what they do. She then asked why there was no "in kind" listed from the city because she thought they did a lot of in kind.

Ms. Adams acknowledged that, as a partner, there was no way they could do it without the in kind they have, the ability to use the parking area where Public Works helped them keep everyone safe, dropped off cones and space for the dumpsters. She stated that she probably didn't put it in as in kind because she considers this a city event and they are working for the city. She stated that, if they weren't able to organize it, the event could not happen and if they couldn't work with the city, there was no way it would be possible in the future.

Mayor Nihart stated that the city was down to the nubs and \$3,000 seems important to them and it also seems important to the city. She mentioned that she said the festival was for the city and Fog Fest would argue the same.

Ms. Adams said that Earth Day and Coastal Clean Up Day are for the city.

Mayor Nihart stated that the Historical Society was an excellent example of a group that has raised hundreds of thousands of dollars and they were thinking they were important and why do they have to pay the city a dollar for rent. She assumed she had the gist of where she was going, mentioning that Sanchez Library was painted by Rotary and they were about to paint Spindriffs. She mentioned that Wendy Santiago and Dave Martinez spent hours of their time on the Beautification Advisory and that was their business but they donate it all to the city. Her question, which she is going to ask each group, was what was different than all of those other groups for the Beach Coalition.

Ms. Adams stated that what they were doing was the job of Public Works which they cannot do. They have people planting in the parks, picking up the city and the streets, raising education. If they could have a volunteer person and draw all the people in, it should be in the Public Works Department but they do not have the resources for that and that was exactly why. They were helping the city to be a better community but also saving Public Works a lot of time and creating commerce by having a clean up of Pacifica that people come and mention how beautiful it was here. She stated that it wasn't like that ten years ago when they started this work. There was litter everywhere.

Mayor Nihart stated that they have heard a lot of their presentation.

Ms. Conlon, Chamber of Commerce, stated she would capsule. She then stated that the Chamber and Visitors Center was the marketing arm of the city. She stated that, although it was a small contribution, it was a worthwhile and most important contribution that they believe for the Visitors Center, just running it and having that contribution was probably the only investment that helps to increase the city's revenue, keeps it relevant for everyone that comes into the Visitors Center. She stated that they spend so much quality time with them, and nobody leaves without knowing A-Z about Pacifica. They pride themselves on taking that time. She feels that time spent they get back tenfold since they take them to all six miles of the coastline and back again to make sure they know where to go, stay, shop and play.

Mayor Nihart stated she was asking the same question, and Fog Fest would say they market the city. She asked how they were different. She added that Fog Fest pays the city money by paying for police and everything.

Ms. Conlon stated that the Visitors Center does help bring in an uptick to the sales tax revenue by the sheer fact that they send people to all the different visitor serving businesses. When they promote the community, everyone benefits. There is an uptick to the sales tax, TOT and the city with as small as an investment that it might seem, it has thousands of dollars that they recoup.

Councilmember O'Neill asked what the occupancy rate of the hotels was.

Ms. Conlon believes it was about 65%.

Councilmember O'Neill asked if it was higher on weekends.

Ms. Conlon agreed, adding that during the summer months they were looking at 90+% occupancy, May to October.

Councilmember O'Neill commented that the Chamber has been doing this outreach and marketing effort for about 3-4 years, with travel writers and ads in the Central Valley.

Ms. Conlon stated that it was a concerted effort when they became members of the San Mateo County Convention and Visitors Bureau, which was a really big coup for Pacifica to finally be on their map that they take to all their trade shows and international shows. From the hotel perspective, they help their guests that come into the Visitors Center to make their experience that much more memorable, because they get those people coming back to enjoy other parts.

Councilmember O'Neill assumed the uptake started when they had the San Mateo County Convention Visitors Bureau.

Ms. Conlon stated that was one uptick, and she thinks the biggest uptick now has been with the public relations firm that the hotels have retained for 2013 to the end of 2014. These are investments that are coming straight from the reserves.

Councilmember O'Neill asked if the Chamber pays for the Convention and Visitors Bureau or was the city paying for that.

Ms. Conlon stated that the hotels pay 50 cents of every guest that stays which goes into the San Mateo County fund.

Councilmember O'Neill clarified that it goes to the Convention and Visitors Bureau. He asked what the occupancy of the hotels prior to starting this outreach.

Ms. Conlon stated that she didn't have that answer and she would like to know the answer herself. She knows it is on the increase from a few years ago but she didn't know what it was. She would love to get back to him on what that would be.

Councilmember O'Neill stated that the TOT was increased by the voters from 10% to 12% and it should be a natural increase in that. He was trying to get the actual increase attributed to the Chamber versus just because it went from 10% to 12%.

Ms. Conlon stated that it was in July 2011 when it went into effect and from July 2011 to the end of the fiscal year, it was budgeted at \$740,000, bringing in \$960, which was the 2%. She stated that from 2011 to 2012 was when they started doing more efforts. They had one public relations company but they realized that they needed to up the caliber of the type of public relations firm that they associated with. She stated that 2011 to 2012, it went from \$960 budgeted to \$1.2 million and then from 2012/2013, \$1.3 million. There was a lot of variables in there but they know, as a Pacifica Chamber of Commerce and just what they have seen in the efforts of occupancy going up as well as the amount of synergy that was out there. She mentioned that one of their long time businesses just became a Chamber member and he says there was something about when people come in they know about Pacifica and we are out there in the marketplace. She stated that has value that is priceless.

Mayor pro Tem Ervin asked what year they begin with the relationship with the city of Pacifica in getting money.

Ms. Conlon stated that the Chamber of Commerce was receiving \$40,000 up through 2003. After 2003, it went down to \$10,000. At that point, the hotel Business Improvement District was formed. There is a document going back to 1972 that actually talks about how the cities would actually pull from their transit occupancy tax and reinvest it back into tourism. That never really was embraced by Pacifica and a hotel Business Improvement District was formed.

Mayor Nihart didn't think it was an embracing thing but more they didn't have the money.

Ms. Conlon stated that we are all going to top off our tanks in Pacifica.

Councilmember Digre stated that the city was giving \$40,000 but she said it wasn't part of the TOT but was extra that the city decided to give to help out.

Ms. Conlon asked if she meant from before 2003. She stated that money was set aside to give to the Chamber of Commerce and Visitors Center and then it went away.

Councilmember Digre stated that she was questioning what it was given for specifically.

Ms. Conlon stated that it was reduced from \$40,000 down to \$10,000.

Councilmember Digre stated that she was asking when they decided to give \$40,000, it wasn't from any TOT tax.

Ms. Conlon stated that it was out of the General Fund.

Councilmember Digre understood that and she was asking if it was for operations and marketing.

Ms. Conlon stated that it was her understanding. She would like to get back to her on that to have more clarity so she can explain that further, maybe on June 9, when they talk about it a little bit more.

Mayor Nihart stated that it was the turn of Anita Rees of Pacifica Resource Center.

Ms. Anita Rees, Pacifica Resource Center, stated that she provided a comparison in the last few years of services to see that there has been an increase in the number of people that they have been serving. In 2009-2010, it was the first year when they found funding to increase their staff from 2 to 3. She came on to the organization in January 2010 and right before she came on was when they were able to add the third person and she replaced the previous executive director. At that time, they served 3,315 people, duplicated across the different items of emergency services. In 2010-11, they increased by 37% to 4,554 people. The following year was another increase compared to 2009-2010 because that was the year they saw the biggest increase and she didn't have enough room to give them the year before which probably would have been a more significant change. On 2011-2012, the increase was to 4,326 and that was a slight decrease from 2010-2011 but still a 30% increase from 2009-2010. In 2012-2013, it went up the most, to 4,873 which was a 47% increase from 2009-2010. In 2013-2014, she did an estimate where they were looking to serve about 4,672 people which, again, is a 41% increase from 2009-2010. She thought the biggest thing is that in 2010-2011 was when they were able to add an additional staff person. She thought the biggest thing was that in 2010-2011 was when they were able to add an additional staff person. She stated that there was more need than they have the capacity to serve. If they had more capacity and had more staff, they would be able to serve more people. She also wanted to mention that Silicon Valley Community Foundation has provided quite a bit of functioning to them over the last four years, mostly because they asked. It was called the Opportunity Fund and specifically funded safety net services for the last five years. She stated that they were no longer providing support for safety net. They found was that no one was really providing support for safety net. As Mayor pro Tem Ervin mentioned earlier, the recession was supposed to have ended and they haven't really seen a change in the number of people they serve. She felt the difference was because they were able to get that funding, they were able to increase their capacity to serve for the people they weren't serving before. She stated that they have been working really hard to make sure that people know they can come to them for services. She stated that the loss of Silicon Valley Community Foundation funding was pretty significant across the county because it was going to impact everyone's ability to provide those services. Even though it was supposed to be used for housing assistance, they all used it for capacity building. It was for their general operating funds because they needed it. The Center's service was people service, not things. They can't go out and buy more things to give people. They need to be able to provide more services to those people. She referred to mention of the possibility of the County covering their services. She stated that was how the Pacifica Resource Center started. It was a satellite site for the County. A few years into it they wanted to close the site and then Pacifica stepped in and stated that they needed the services. That was almost 40 years ago. She felt it was important that they provide those services because people have a difficult time getting in and out of the city. If they are not driving away to work you stay here. It is very difficult for people to get to the other services in the area. She stated that they have heard from sister agencies that they do not have the capacity to serve Pacificans. If the Resource Center is not here, they won't necessarily be covered anywhere else except for social services and the Center has a contract with HSA because they recognize that they cannot serve all the people who need it. She stated that was one of their biggest challenges was being able to be there to provide services to people. She stated that, because one of the questions was value of their services or what they are able to bring in, she did the numbers today and, for last year, they brought in \$683,936 in other services that would not otherwise be here. She stated that one of the things missing for next year will be another \$60,000 that was invested from the County through Measure A funds for the homeless outreach team. She stated those were the numbers for 2012-2013 since they

were still in 2013-2014. She stated, if they have any questions since they have seen it, she can explain how she got those numbers.

Mayor Nihart asked if the homeless outreach team was the HOT team.

Ms. Rees responded affirmatively. She stated that the reason they came was because of the work they did to highlight the fact that there were more homeless people here than people thought. They have had an increase in the number of homeless counted on the one day homeless count for the last two counts, 2013 and 2011. She stated that, even though there was a significant increase in 2011, she didn't think the County believe the numbers were there until they saw the second year. It took that long to get them to say that they need to invest some additional resources on the coast since they have the additional challenge of not having access to shelters. It is really difficult to get our people to a shelter when most of the time they can be guaranteed a night or two instead of a long stay.

Mayor Nihart stated that they were a little different than the other groups because she didn't know anyone who was providing their services. She know people who are donating to their services, but that wasn't what she was asking. She stated that the County in most counties is the primary social service agency, which was why she asked the question about the County. They would be the alternative.

Ms. Reese stated that they recognize that they are not the alternative, but the Resource Center is the safety net of the safety net.

Councilmember Digre referred to the mention that Silicon Valley gave funds for a particular thing and all agencies actually used them for operations. She asked what it was.

Ms. Rees stated that it was the Opportunity Fund which was specifically for safety net services. The cores, with the Resource Center being one of the cores in San Mateo County, have a contract with the County to provide the gap services. They all received funding through the Silicon Valley Community Foundation Opportunity Fund along with other places. The shelters got it and other organizations that provide safety net services in San Mateo County. They only agreed to fund it for five years. They have tried to advocate to get those funds back but their board has chosen to pick something else as an investment for the next five years. She stated that, initially, the plan was to use it for things like housing to pay for rent or utility assistance but all the organizations used it for more of the operating side and adding a staff person to build the capacity to do things. The Resource Center used it for general operating to cover overall. She stated that, when she have the option to do general operating, she does because it gives them flexibility and it doesn't mean that one person is tied to a specific fund. When that fund goes away, then they have a little bit of everybody to make up instead of one person. She stated that in the beginning when they got that fund it was to add a case management person and, since then, they have spread it out so they don't have to lose that person now that those funds are gone.

Councilmember Digre stated that she has been going to some of their meetings so she does know some of the reasons why they did that.

Councilmember O'Neill asked what the relationship with the Tides Foundation was.

Ms. Rees explained that the Tides Foundation was their fiscal sponsor and when the city decided not to continue to fund them, they found an alternative. They had a couple of options.

One was to shut down completely, one was to become a non-profit and one was to find a fiscal sponsor. They found a fiscal sponsor almost ten years ago, because they weren't ready to be their own stand alone 501C3 so they actually paid the Tide Center to provide their administrative support. They were the back office. She stated that all the staff at the Resource Center were actually staff of the Tide Center working at the Pacifica Resource Center. She stated that they have some benefits from doing that, with them doing their financials and audits. They are then able to focus more fully on the programs and day to day operations of the organization. She stated that they pay them 9% of any money that comes in and 15% of government funds.

Mayor Nihart thought that happened in the 1990s.

Ms. Rees stated that it happened ten years ago in 2004. She stated that they were going on their 40th and their 10th at the same time.

Tom Ford, Deputy Director of the San Mateo County Library, stated that if he needed assistance he would call Tom but Ann Marie Despaine, the director, could not be present at the meeting. In referring to how their money is spent, he stated that the \$75,000 in funding to the Library JPA is an agreement that is partial to the library's operating agreement. He explained that San Mateo County Library is a Joint Powers Authority that was formed in 1999. He stated that some of the terms of the agreement are that cities with 10,000 and over in population will receive a minimum of 60 hours of service. He stated that under the terms of the JPA agreement, Pacifica is guaranteed a minimum of 60 hours of library service. He stated with the two buildings, it would be split between those two buildings. He stated that, in 2004, Pacifica and the JPA altered the agreement to expand hours for Pacifica to 74 hours and the funding goes to partially support the expansion of the hours in the difference between 60 and 74 hours, currently the number of hours that library service dedicated to Pacifica. It was in a 2-1 match and the city pays \$75,000 to support those hours and the library JPA contributes \$37,500 for a total of \$112,500 to support staffing for the extra hours up to 74 hours.

Mayor Nihart mentioned that it was 14 hours a week.

Mr. Ford confirmed that it was 14 hours per week.

Mayor Nihart stated that it was split between the two sites.

Mr. Ford confirmed, explaining that, with 74 hours of service for Pacifica supported by the funding, there was 33 hours at Sanchez and 41 at Sharp Park for a total of 74 hours.

Mayor Nihart asked if there were questions from the Council, adding that they didn't have anything different that she would ask except for the fact that, if they didn't have the 14 hours and only had one site, that would mean one site could be open for how long.

Mr. Ford stated that it would be 60 hours a week. But that would equal the same type of service that they offer in Foster City which is seven days a week and 60 hours of service.

Councilmember Digre asked where the JPA money comes from.

Mr. Ford stated that the JPA was funded by real estate taxes that are collected in the special district of the library JPA and the JPA was an agreement between 11 member cities and the county because they also serve the unincorporated areas of the County.

Mayor Nihart asked how much increase happened when the RDAs went away. She stated that they would have been taking some of their money.

Mr. Ford stated that he didn't have that information.

Mayor Nihart thought it was too esoteric but they should have an increase.

Councilmember O'Neill asked what the configuration of hours would be with the two branches if they were to choose to delete it. He knows it would be 60 hours but was it all in one branch, 30/30, 40/20 or has it been decided yet.

Mr. Ford stated that it has not been decided. They would follow up with that work when the City makes its decision on the funding. They probably would want to survey the patrons of the library as quickly as they can to get an idea of how best they can serve the community with the 60 hours. Then they would put those into effect. He states one of the things he would like to reiterate is the Council's current expression of how they can expand service to Pacifica to seven days a week if they had one location and dedicated the 60 hours minimum guarantee of the JPA agreement to one location. He stated that they do support the effort of the city and the Friends of the Library and the Pacifica Library Foundation in working towards one new library that is open 60 hours a week, seven days a week.

Councilmember O'Neill stated that a bit of history was the fact that Pacifica is the only town in San Mateo that has two libraries that is part of the JPA.

Mr. Ford responded affirmatively.

Councilmember O'Neill stated that the agreement for the extra money from the JPA for the extra hours was a limited time agreement. He thought we were already past the time it was due.

Mr. Ford responded affirmatively. He stated that it was a temporary agreement put in place to hopefully get Pacifica to the point where it could build a new library and be guaranteed the 60 hours of service at one location. He stated that it expired and it was on an annual renewal.

Councilmember O'Neill stated that, if the JPA for some reason wished to cancel, it would the reverse and cancel us at some point in the fiscal year because it was a temporary measure whose time has expired.

Mr. Ford responded affirmatively. He reiterated that the original terms of the agreement expired and now it is an annual renewal.

City Manager Tinfow stated that the last piece of information that the Council asked for at the last meeting was, if they were going to fund the Pacifica Resource Center which was what she heard them all talk the most about, how they could do that. She stated that, in the report, there were three options, tie the funding to their receipt of the excess ERAF money which they get confirmed in January so it would be next January when they would know for sure whether they were getting that money. She thought the chances were good for getting that money next year and why she felt comfortable putting it forward as an option to consider. The second option would be redirect money from the vehicle replacement fund which has been part of the proposal with an amount for \$90,000 that she carved out to be able to complete the Palmetto land use and zoning upgrades as part of the General Plan update process. That was something they need to do. Some of the funding to update their ADA transition plan which was created in 1995

and has not been updated since. She also put forward a small amount of that money to help with the community meetings related to the Highway 1 activities. She didn't want to give them impression that, if they don't have that money they won't have the meetings because they definitely will. The money could help with signage noticing, etc. She stated that, if they wanted to allocate that \$90,000 toward the Pacifica Resource Center, it was an option to consider. She stated the last option was to consider reducing the amount. If they reduced the allocation to \$30,000 another 1% increase in fees would generate about that much and they could recommend a 4% increase in fees which would generate an additional amount of revenue that could be dedicated for Pacifica Resource Center. She stated that they didn't need to make a decision on this at this meeting, but it was food for thought for them and they will need direction from them at the next meeting. She stated that, if it was something they want the city to fund, from a source such as the excess ERAF, the more time to figure out what other options unless they like the ones she has put forward would be beneficial.

Mayor Nihart stated that they still have to hear from the public, but she asked when the ERAF money comes in.

City Manager Tinfow stated that they get confirmation in January of a particular year.

Mayor Nihart stated that she was talking about the Resource Center now, but she asked, if they were looking at the Resource Center and something else, whether they could do that in the same way.

City Manager Tinfow expected revenues to be sufficient for that.

Mayor Nihart added that, at the same time, potentially look for other sources during that time.

City Manager Tinfow stated, if that was the Council's direction, absolutely.

Mayor pro Tem Ervin asked if she had an estimate about ERAF funds.

City Manager Tinfow stated that she can offer what they received this year. They had budgeted \$1.3 million for 2013-2014 and they got \$1.6 million.

Mayor pro Tem Ervin stated that, at the last meeting she was being questioned about the reserve and she knew she wasn't bringing it up to be discussed until the 9th, but she struggled with was not having all the numbers. She asked if she had any further information in regard to the reserves.

City Manager Tinfow stated that she did not have anything to share with them at this meeting but will confirm that, on June 9, they will get the full accounting and they were not being asked to make a decision on this at this meeting but can choose to delay it until the 9th as well to have the full information.

Mayor Nihart asked if she was talking about the goose egg, because they have zero. She stated one would assume that there is none out of this budget.

City Manager Tinfow stated that they were focusing on the operating budget for 2014-2015, and the reserve would be something outside or separate from what they were talking about and that was what she wanted to bring back to them at the next meeting.

Mayor Nihart was just making sure that they were clear that they were zero.

City Manager Tinfow agreed that they were zero. They have the ERAF.

Councilmember O'Neill asked about using the ERAF money which, on a philosophical basis, he did not have an issue, but he was concerned about a cash flow basis. He stated that they have a monthly payroll to meet, other expenses they have to meet. They get the figure in January but he asked if he was correct in that they don't get the actual funds until March or April.

City Manager Tinfow stated that they get the funds in February, at least this year that was how it worked. They were confirmed in January and got the funds in February.

Councilmember O'Neill stated that, if they adopt funding the Resource Center in June, they would have to be carrying it on the books for eight months, making donations or do they write a check to the Resource Center in March. He asked how it works.

City Manager Tinfow stated that was what she would envision. Once they receive the funding, then they would release it to them for payment as a lump sum.

Councilmember O'Neill stated that they wouldn't have to worry about the cash flow until February.

City Manager Tinfow stated that was her vision of what she was offering in terms of that option.

Councilmember O'Neill asked Anita Rees if that meets their needs.

City Manager Tinfow stated that she answered yes.

Councilmember O'Neill referred to the vehicle replacement fund, and he assumed she would be giving them figures on that. He stated that they seem to have borrowed from that quite often in previous years.

City Manager Tinfow stated that was her understanding.

Councilmember O'Neill asked if she has any idea or can she bring information as to what it was, a fire truck, police car, or a pickup truck. He asked what the protected need for those vehicles to be replaced as part of the fleet.

City Manager Tinfow reminded them that the lump sum amount they were suggesting that the redirect was \$240,000. She believes it is only a portion of the amount that would be put aside next year for vehicles. She stated that when they come back to them on the 9th with more information on that fund, she can have Van Ocampo be ready to explain more detail about what would not get done which was what she thinks he is asking if they redirect this money. Preliminarily, the reason why she feels comfortable bringing it forward to them was because Van Ocampo has suggested it and it would not have a significant effect in terms of our vehicle replacement but she would be happy to come and share more information the next time.

Councilmember O'Neill stated he wanted to be sure it wasn't affecting public safety for emergencies or whatever.

City Manager Tinfow understood.

Mayor Nihart opened public comments.

Tom Clifford, Pacifica, stated that he was on the same issue in terms of the loan from the wastewater treatment plant fund, the enterprise fund to pay on the pension bonds. He stated that they were talking about borrowing \$2.1 million out of the maintenance fund but equipment failures do not happen on any kind of set schedule. You don't know that you aren't going to need the money before they hit the 20-year mark. He stated that, with fire or earthquakes, the plant could suffer damages between now and the 20-year-mark and they may need that money. He felt that staff and Council have both failed to publicly address the prior claims on the enterprise fund. He stated that \$21 million in state loans, \$11 million in bonds and a consent decree for \$50 million. He stated that these were all obligations that the enterprise fund has to deal with into the future. That tells him is that, at some point in time, they are going to have to come to the public for increased sewer fees and/or a brand new bond measure to cover all of these expenses. He did not think they will be able to cover them all out of the fees they are getting now. He was partially worried if they lend the money to pay off the obligation bonds, they were sending a message to the public that they don't need the money and they have plenty of money in the enterprise fund and, when you need to fund more, you are going to have trouble getting it from the public. They are going to say we were lending money out of that fund and why do you need more from them.

Sheila Gamble-Dorn, Pacifica, stated that she was a Pacifica school teacher and was speaking on behalf of the Pacifica Beach Coalition to support what they have been doing with Earth Day. There assemblies alone would be more than the \$3,000 and they do assemblies at every single school to promote Earth Day and to give education to the students about how to protect our beaches and how to be responsible citizens. She stated that the message that the Coalition gives to our community about what Pacifica considers important and what it prides itself in. She stated that one of the vendors to whom she spoke on Earth Day was from the Citation Society and she said she would have liked to move here, knowing how much the city supports the environment. She was also stating that she was surprised this month because she coordinates the Ocean Week program at Ocean Shore School and she has always notified the city that they would be coming because they bring 60 students a day to the beach for over 30 years. It was a learning experience, rotating through four activities, one being picking up trash, understanding how marine mammals are affected by the trash and other activities talking about how to be safe at the beach and how to respect and take care of our beach. She stated that, when she notified them this year, they told her it would be \$36 a day for 12 permits. She stated that, for 300 students to go to the beach as part of their rotations, it would have cost the school \$250. She was told they could go to the free and, in her mind, dangerous Sharp Park Beach. She was upset and that the city would see local schools as a revenue source was pretty appalling. She stated that, if we want responsible citizens which children hopefully grow up to be, education will always be the answer and Earth Day is part of it.

Virginia Szczepaniak, Pacifica, stated that she was a 4-5th grade teacher at Ocean Shore School and a 36-year resident. She stated that the sea defines us. She pointed out the many things that define us as a coastal community, and the need for us to be concerned about how the care of our beach town contributes to the financial health of Pacifica and she asked how we could afford not to support all efforts to maintain our asset. She pointed out that Lynn Adams, the Pacifica Beach Coalition and all other environmental and civic organizations collectively support and help to maintain our asset through volunteerism. The Coalition advocates stewardship, educates the citizenry and inspires them to act and organizes and oversees the thousands of human hours that it takes to maintain an invaluable asset. Lynn Adams in a labor

of love has acted as point person to educate, organize and inspire our coastal community and countless organizations to act on behalf of Pacifica and champion the effort to keep all areas of Pacifica clean. She stated that Pacifica cannot afford to pay for all the hours of service that have been dedicated to the environmental health and well being of our community under the direction of the Pacifica Beach Coalition.

Kathleen Courtney, Pacifica, stated she was pleased to be present. She thanked the Council for listening to all of them. She was present as a new member of the community and came here because of Chasing Mavericks, a movie on which she worked. She moved from LA and loves Pacifica. She acknowledges the problem facing the city, but she felt that Earth Day brings the city more than \$3,000. She deals with budgets in her work and explained her thinking from a business point of view. She felt that Earth Day brings a lot of business in. She knows that having the city support Earth Day was something she was speaking about at her producer's guilds, etc., adding that the word is out about Pacifica. It was a unique community and she thinks they should look at the big picture and see that the \$3,000 brings more than it costs. She stated she had people who flew in from Nevada to participate specifically because she mentioned what was going on in the city. She stated that it was a humbling experience being part of Earth Day. She didn't know how they were going to make their decision but she believes from a business point of view that \$3,000 is a great investment.

Tom Webber, Pacifica, stated he was speaking as an advocate for youth in Pacifica. He mentioned his involvement through 4H to help the youth plant trees around the world to help slow global climate change. He referred to some of the great programs previously mentioned and he felt the city could do more. He referred to the importance of the libraries, the Resource Center and the Beach Coalition for the youth in Pacifica and asked the Council to continue supporting those entities.

Kathleen McGuire, Pacifica, stated that she could speak for each of these groups needing the city's help because it was a hard decision. Tonight she was specifically speaking in support of the Beach Coalition. She felt they reach a broad spectrum of people, including the youth, and also felt the small amount of money being asked for should be increased. She felt they deserve that money to help fund their programs.

Jim Fithian, Pacifica, stated that the \$3,000 was not about Earth Day but for all year. He then read a letter he wrote to the City following Earth Day, mentioning the many people coming from outside Pacifica to help with the cleanups. He stressed how important it was that the city supported this group financially and how that helped them get contributions from businesses.

Claudia Reinhart, Pacifica, stated that she appreciated that everyone stayed. She concluded that this was very important for everyone. She was speaking on her own but was an active member of the Pacifica Beach Coalition. She works hard and has grown and learned a lot through the process. She was sure they have heard enough and will make their decisions based on dollars and sense as they know the real benefit. What she wants to say is that, if they can't fund the Coalition, they should think of more ways to make money for the city. She felt that a coast town has a responsibility to the ocean. She felt the city should appreciate the work the Coalition does, and they needed to take a more active role with signs to promote a litter free city, possibly pass an ordinance forcing businesses to be more involved in keeping the areas around their businesses litter free.

City Attorney Kenyon stated that they need to make a motion to continue the meeting past 11:00 p.m. and the crew needs a five-minute break to change their tapes.

Councilmember O'Neill moved to continue the meeting past 11:00 p.m. and take a five-minute break; seconded by Mayor pro Tem Ervin.

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Mayor Nihart reconvened the meeting.

Lynn Adams, Pacifica, had a container of litter, stating that it stinks, but it washed up on the beach but all has come from the streets. She then stated that the two Earth Day and coastal clean up events in nine years recruited over 44,000 volunteers who gave up over 88,000 hours and removed 136 pounds of trash, recycles and green wastes. That is 68 tons with reduction in the last two years because less people are littering and more people are picking up and they have given people hope. They have united the community and raised awareness about this cost.

Mayor Nihart closed public comments.

Councilmember Digre stated that she has wrestled over this. She stated that the Economic Development Committee has been excited about marketing for Pacifica because of so many activities and assets that Pacifica has and it looks like we are moving forward with that type of marketing, and flesh it out with what constitutes Pacifica. She stated that she looks at the budget and she sees a lot of money for the attorney. She felt the attorney budget was important but she thought they could take some money from that because they were assuming that there would be a problem. She thought the ERAF funds would be worthy, talking about the non-governmental, non-profits, because there was a difference between the two, and she would like Council to look at that. She stated that they seem to be going off the Pacifica type of things and moving toward economic development. She asked if this is the right time. They have had the world wide depression and recession and she asked if this was the right time to pull the rug out from the four non-profits, including the Chamber but she will separate that. She felt all of them, including the Chamber, constitute the "is" of Pacifica and without preserving the soul and spirit of Pacifica, she thinks the "in" of Pacifica on which they are embarking will be a much harder hill to climb because they have pulled out the essence of Pacifica. She asks what they are going to invest in, hold it tight to themselves and not risk, and what will they have to show for it. They might have nothing to show but going backwards and having to pay for the things they are giving up, whether the money for the Beach Coalition and all their work, or the Resource Center or the library covering children and all the rest of Pacifica. She was concerned that this was not the time. She stated that, having been on Council for 12 years, people could say what she has done, but she thinks there was a lot. There was an economy dip that happened and whether they like to believe it or not and want to blame the alleged four environmentalists, she sees where Beach Blvd. itself was blighted but, because people believed in what Pacifica had to offer, they started buying and shaping up Beach Blvd. She stated that they were moving towards Palmetto using the history. They were understanding and believing in economic development coordinator and these were positives and pluses that build upon what has already been there. They know they have mandates and they will get dinged really big if they don't meet those environmental mandates. She thought communities should be, especially coastals, including creeks. She thinks sometimes we don't value our creeks. The creeks and ocean are being protected, and they question Public Works having to do all that. She felt the investment in these was a risk but an investment that she believes has paid off and this was not the time to pull out of that investment. She was very concerned and she would prefer that they look at taking away some of the attorney costs and believe in themselves a little more that they won't

need that. She stated looking at the ERAF and other component that would give them that. She would like Council to do that. For the Chamber which is a profit making business, she thought that we have grown in our ability to put our arms and hands together to work together, and being in the San Mateo County Silicon Valley Business Bureau has been a tremendous leap forward. She has to give Ms. Conlon and the new board credit because she had been preaching and Ms. Conlon understood. That was not something Council could do and it was a huge thing. They haven't missed one step in utilizing and embracing it. She think the "is" of Pacifica is all of them together and she sees it as an investment, adding that every investment is a risk. She felt they would pay for it in many ways, such as in the spirit and soul of Pacifica and she urged them to find a way and the ERAF and using some of the attorney money would give it all to us. She begged them to look at this.

Councilmember O'Neill stated he was going to ask staff what they want from them now. He asked if they want direction, because that wasn't what he thought they were supposed to do.

City Manager Tinfow would love direction but they were not required to give her direction at this meeting. On June 9, she will be posing some specific questions to them and will definitely need direction at that time. As commented earlier, they will have the full scope of all of the funds to take into account as they were making all these decisions. She concluded that June 9 will be fine for direction.

Councilmember O'Neill stated that she basically laid out four things if they wanted to fund the Resource Center, and which would they want. He would like details on those and he would also like to see the full picture before he makes any sort of decision as to how they move forward.

City Manager Tinfow asked him for more specific details on the options that she included in the report.

Councilmember O'Neill stated that the vehicle replacement fund was one and he would like the details as to what wouldn't be funded, average age of vehicles, etc. Then on the ERAF funds, he wanted to be sure they weren't getting into a cash flow situation because, at the school district, when the state was deferring payments, they had to borrow to meet payroll for a couple of months. He was concerned about cash flow and carrying any of the entities for 8-9 months when our reserves are so low. He stated that she had two other options.

City Manager Tinfow stated that one was to increase fees by another percent which would generate between \$30,000 and \$35,000 and then reduce the amount that gets funded to that amount. It had also been mentioned that the County might be interested in funding the Resource Center. She thought that might be the fourth one.

Councilmember O'Neill stated that, in regard to fees, he would like to flesh those out with a little bit more detail, what fees, her estimate, and he feels he needs more details and when they get her other information on the other accounts they can make a more informed and data driven decision than just grasping.

Mayor pro Tem Ervin stated that Tom Clifford spoke about his concern in regard to borrowing the money from the wastewater treatment plan and then potentially having to ask for a bond measure and they never know when they might need the money. She asked if the City Manager shared any of those fears in terms of borrowing this \$2.1 million.

City Manager Tinfow stated that Council knows that there was a fund that was designated to be used at the end of the 20-year life of the plant, either upgraded substantially or potentially replace it. That fund has about \$5.7 million in it currently and that was the fund that she would be pointing to for borrowing because they would be paying it back in the timeline that the money is expected to be needed. She stated that it would be paid back by 2020. She stated that there was another fund, the fund balance, for wastewater that was substantially more than that. She stated that they will be hearing more about that also on June 9 in more detail. She reiterated that the funds she was pointing to for the loan would be paid back within the time frame that they were designated to be used when that fund was created.

Mayor pro Tem Ervin stated that, if they didn't do that, they would be looking at an additional \$600,000 that they would have to cut from the budget.

City Manager Tinfow stated that they would be looking at \$641,000 that would be cut for next year.

Mayor pro Tem Ervin asked what that would look like.

City Manager Tinfow stated that it could be six people, or at this point, given where they were with the budget, it could be something very substantial that they would have to be considering.

Mayor pro Tem Ervin thought everyone shares the feeling that it was crazy that they were sitting there having to grapple with making \$3,000 and \$10,000 cuts and all of the non-governmental agencies that they are talking about provide vital services to the city. She has been intimately involved with just about all of them. She cannot begin to tell them about the experiences she has had on the Pacific Beach Coalition, such as her daughter and a friend picking up cigarette butts on Earth Day and vowing to never smoke, and her mother dying of lung cancer. She feels if they save one girl from ever smoking, it was worth the \$3,000. The fact is they have to make these decisions. If they don't pay for it here, how are they going to pay for it, what are they going to cut. She cannot believe how influential it was to do the homeless count with the Pacifica Resource Center. There was no doubt in her mind that every dollar that goes into the Resource Center is needed and every dime that goes out of that Resource Center was invested in our community and everyone knows that the little money they have they invest in their community. She thinks there is economic reasons to support the Visitors Center, the Pacifica Beach Coalition, the Pacific Resource Center. It was amazing what these organizations have done for the city in terms of generating interest in our city and she knows the Ms. Conlon and the Chamber bring in the travel writers and bringing the beauty of Pacifica to the Bay Area and are absolutely priceless and they were putting numbers on it. She felt it was unbelievable and it was all about money, our economy and the fact that we have to generate more income. She hears that loud and clear and she knows it is something we have to do but we are in for an uphill battle. She stated that the Pacifica Beach Blvd. project they have been striving to get accomplished was \$500,000 in generated taxes that it will bring to the city. We need several of those projects in order to get our heads out of the sand. We really need to work hard on generating an economic base but we are somewhat limited. This is going to be an uphill battle and she was telling anybody listening that they have got to work together and find common ground on what they can agree on and what they can do to generate more revenue in this town. It was vitally important. Nobody wants to make these cuts but they have to examine what else they have to cut if they don't make these cuts. She looks at city services and senior services and childcare services and all the other incredible things and everyone was working with stone soup. She felt it was amazing. She stated that somehow the tide has got to turn and she was going to do everything in her power. She was supportive of the idea about the ERAF money

and she was hoping that, in time, this tide will change and they will be able to generate some more funds in order to save these vital services to the city but she will say that, as supportive as she is, she has got to know what the bottom dollar is and know exactly what they are talking about. If there was room to use the ERAF funds, and it was a reasonable alternative, she is then supportive of it. She didn't mention the library, and she knows what an incredible asset that was to our town but possibly they could use 60 hours a week and it wouldn't be that detrimental to our community. It was nothing she wants to do but every cut was ugly and not what represents the city, but she will do everything in her power that is fiscally responsible to support these non-governmental agencies today, and she will find out more information on June 9.

Mayor Nihart stated that was usually the speech she give but she won't have to repeat it. She stated that this was a weird thing to say in front of people. Someone said to her that she was gaining weight and she responded that she was because it was budget season. She was a stress eater. She stated that this wasn't about any four people but was about Pacifica and what they have been and want to become. It was about being a coastal community, over the hill from many of the organizations, stores, places that bring us revenue. She keeps saying that they get one cent on every dollar and that was our sales tax. They can talk about the economy tanking in 2008 but all it really hurt was our property value and not a tremendous amount. While it hurt the values, it didn't have the same catch up on what the city took. The city had very little fluctuation in sales tax to stress what the Chamber came forward with. She pointed out that our biggest fluctuation in sales tax in town was actually when gas prices go up. That is when we have a big fluctuation in sales tax. She stated that it was sad because she looks at other cities and she sits on the boards and talks to other people who have a department for green and the Beach Coalition would be in that department. It was just for environmental issues. They run their climate action plan and do all that stuff, and we do that in addition to. She looked at Menlo Park that has less population than us but they have all those businesses like Facebook. They have 69 staff in just their police department and almost 100 more staff than Pacifica has in the whole city just in their general fund, not counting other things outside. She thinks about where we are as a city and realize that, over the life of the city, this Council, no matter who is sitting up there, has struggled with the same issues. There was a time when they had a little bit more money but they have had structural deficits for years. Previous Councils in the 1990s often borrowed from the enterprise fund and the wastewater treatment plant and they didn't borrow then, not until the big horn decision and that changed. They couldn't co-mingle the funds. That was how they made up for things, in a lot of one time monies. She stated that now they were where they had a structural deficit of about \$3 million and they have cut every year that she has been on the Council. Every year they have talked to the public about what they were cutting, who they were cutting. They have cut staff, numbers, benefits, what people take home in their paycheck, all kinds of different things. She mentioned to someone that it was so sad that they had to organize a group of volunteers and get donations and businesses to have a holiday party to say thank you for staff who have not gotten any increases for years. Now they are without all nine contracts with employees, although they should. They are expired and they are still in negotiations. All nine are out there. She stated that they were in a position where they have cut everything and they knew that this was coming. They were down to the things that make her heart bleed to have to even think about cutting. But, they have put up for revenue measures in a town that they don't have a tax base, and they didn't want to pay anything more. At this point in time, she was with Karen on the issue that they have to pull together and do a lot. This whole project built out will net us about \$500,00 in taxes. She stated that it was not like they are getting out of the hole overnight, but they need 10 of these. She stated that we have to find the places for them and it takes consistent work out there. She stated that this Council was more involved in the County than it has been in a long time in actual activity that brings home money.

But it was going to take a lot more than that to get us to the final goal of actually being sustainable and solvent. She has been involved. She was ready to figure out how she could write a \$3,000 herself and she can't even though she wishes she could but added that it was not sustainable for the next year either. She stated that they have to figure out what to do for every single year going forward. She mentioned that she was in Redwood City today and among other meetings, she was looking at what else they can do in terms of social services and it wasn't reasonable to go over the hill. She stated that, if you don't have a home, we have terrible transportation because we have cut that at every level in San Mateo County. She stated that they spent two days in the San Mateo County progress seminar listening to how San Mateo County is the second richest county in the state and how we have more money than most counties. She was on everybody's doorstep and she will continue to do that. Her preference, for direction, was to get to that point where if people can tolerate it, we look for the ERAF to fund some of these items, rather than cut them and, in the meantime, look for sustainable sources of revenue to support them. She was not talking about borrowing. She stated that they were just not there. One last thought, as a comment about the City Attorney, she wanted to point out she was down \$90,000 in her budget estimate. In her tenure, she was more than half gone compared to what we had with our own City Attorney. She was all about that, and she thanked her for keeping the cost down. She appreciated it immensely which was why they contracted. If there was anything else they can figure out, she just know that they have gone through all of them and she didn't know where to go and they have to look for sustainable sources. She asked if that gave her enough information to go on for now.

City Attorney Tinfow stated that it was clear on what she needs to bring back to them at the next meeting.

Mayor Nihart asked if she was clear that they were brokenhearted and desperate.

City Attorney Tinfow stated that, as their new City Manager, this is not the topic that she would have wished to bring forward at this time. She has said verbally and in the reports, these organizations provide tremendous service to the city and it was not easy by any stretch to even bring this up with them, but they have had a history of really not investing sufficiently in the city and not taking care of our core business. We are there, and that is something that we need to do. As their new City Manager, that was what made it worth coming to them and recommending that these very worthwhile, truly amazing organizations that we not continue to fund them by writing them a check. All the in kind services that we provide to them we will continue to do that, but she just can't recommend that they continue to do the checks.

Mayor Nihart stated that they were going to figure out a way but, in the meantime, she can speak for herself, she knew they were in trouble and the City Manager was part of their solution. She thanked her for still taking the job. She asked if she needed any motion or action from the Council.

City Manager Tinfow stated that she did not.

Mayor Nihart stated that they needed to go through the detail for this at this meeting and she thanked everyone for staying with time.

Councilmember Digre asked what the City Manager was going away with.

City Manager Tinfow was going away with understanding the difficulty that they were all facing with accepting her recommendation. She heard from several of them that they would like to

look at the excess ERAF as a funding source and she was also not asking for a final decision at this meeting but she will be asking for that on June 9. If they wish to have it be as part of the current General Fund budget, they will need to tell her that on June 9 and she will explore the options she put forward or go to excess ERAF or whatever the Council's pleasure was.

Councilmember Digre asked that she has had that much so far, talking that she was still open to more on June 9. She asked if that was what she was hearing.

City Manager Tinfow stated that she needed final decisions on June 9.

Councilmember Digre stated that she just said she was open to whatever the Council wanted to suggest.

City Manager Tinfow stated that was when she needs their decision.

Mayor Nihart clarified that it was not more questions on June 9 because on that day they have to make a decision.

City Manager Tinfow responded affirmatively.

Councilmember Digre stated that, if they get more information, they are going to have more questions.

Councilmember O'Neill stated that you have to make a decision at some point.

Councilmember Digre understood what they were saying, but she was not saying they can't ask questions.

Mayor Nihart stated that she was not. She was saying all that will be okay.

9. Adoption of an Ordinance Entitled "An Ordinance of the City Council of the City of Pacifica Amending Article1, Sections 02, 04, 05, 06 & 08 to Title 5, Chapter 16 of the Pacifica Municipal Code Concerning Intrusion Detection and Robbery Alarm Systems"
PROPOSED ACTION: 1) Move that the ordinance entitled "An Ordinance of the City Council of the City of Pacifica Amending Article 1, Sections 02, 04, 05, 06, & 08 to Title 5, Chapter 16 of the Pacifica Municipal Code Concerning Intrusion Detection and Robbery Alarm Systems" be read by title only and that further reading be waived; 2) Move introduction of the ordinance.

Mayor Nihart stated that she has spoken with the City Manager about the last item and she needs a motion from the Council to continue it to June 9.

Councilmember O'Neill moved to continue the last item to June 9; seconded by Mayor pro Tem Ervin.

RESULT:	TABLED [UNANIMOUS]
MOVER:	Mike O'Neill, Councilmember
SECONDER:	Karen Ervin, Mayor pro Tem
AYES:	Nihart, Ervin, Digre, O'Neill
EXCUSED:	Stone

ADJOURN

Mayor Nihart adjourned the meeting at 11:40 p.m.

Transcribed by Barbara Medina, Public Meeting Stenographer.

Respectfully submitted,

Kathy O'Connell, City Clerk

APPROVED:

Mary Ann Nihart, Mayor

Attachment: Minutes of May 27, 2014 (1483 : Approval of Minutes)